

EAT & BEYOND GLOBAL HOLDINGS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

EAT & BEYOND GLOBAL HOLDINGS INC.
Condensed Interim Statements of Financial Position
As at March 31, 2022 and December 31, 2021
(Expressed in Canadian Dollars)

	March 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 702,388	\$ 933,614
Accounts receivable	6,836	-
Prepaid expenses	46,767	59,324
Note receivable (Note 3)	168,696	44,373
Investments (Note 3)	2,648,911	3,083,067
	\$ 3,573,598	\$ 4,120,378
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 4 and 5)	\$ 518,645	\$ 432,866
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	7,150,859	7,150,859
Reserves	2,301,906	1,270,805
Deficit	(6,397,812)	(4,734,152)
	3,054,953	3,687,512
	\$ 3,573,598	\$ 4,120,378

Nature of operations and going concern (Note 1)
Subsequent events (Note 9)

These financial statements were approved by the Board of Directors on May 30, 2022.

“Alexander Somjen”
Alexander Somjen, Director

“Ravinder Kang”
Ravinder Kang, Director

EAT & BEYOND GLOBAL HOLDINGS INC.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	2022	2021
Investment income		
Interest earned	\$ 11	\$ 7,976
Realized gain on disposition of investments (Note 3)	152,161	160,825
Gain (loss) on fair value of investments	(433,429)	125,104
Total investment income (loss)	(281,257)	293,905
Operating expenses		
Consulting fees (Note 5)	98,214	497,260
Foreign exchange (loss)	2,066	26
Listing and transfer agent fees	10,003	9,738
Marketing and promotion	37,307	456,300
Office and administration	9,737	14,851
Professional fees	90,258	27,398
Share-based payments (Notes 5 and 6)	1,031,101	253,820
Travel and entertainment	17,210	-
Wages and benefits (Note 5)	86,507	-
	1,382,403	1,259,393
Net loss and comprehensive loss for the period	(1,663,660)	(965,488)
Basic and diluted loss per share	(0.05)	(0.04)
Weighted average number of common shares outstanding	34,019,086	26,127,051

EAT & BEYOND GLOBAL HOLDINGS INC.

Condensed Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2020	19,779,917	\$ 3,296,142	\$ 1,823,419	\$ (2,004,102)	\$ 3,115,459
Exercise of share purchase warrants	10,875,290	588,558	-	-	588,558
Exercise of stock options	1,383,000	691,500	-	-	691,500
Transfer of fair value on agent's warrants exercised	-	25,980	(25,980)	-	-
Transfer of fair value on stock options exercised	-	857,460	(857,460)	-	-
Share based payments	-	-	253,820	-	253,820
Net loss for the period	-	-	-	(965,488)	(965,488)
Balance, March 31, 2021	32,038,207	\$ 5,459,640	\$ 1,193,799	\$ (2,969,590)	\$ 3,683,849
Balance, December 31, 2021	34,019,806	\$ 7,150,859	\$ 1,270,805	\$ (4,734,152)	\$ 3,687,512
Share-based payments	-	-	1,031,101	-	1,031,101
Net loss for the period	-	-	-	(1,663,660)	(1,663,660)
Balance, March 31, 2022	34,019,806	\$ 7,150,859	\$ 2,301,906	\$ (6,397,812)	\$ 3,054,953

EAT & BEYOND GLOBAL HOLDINGS INC.
Condensed Interim Statements of Cash Flows
For the three months ended March 31, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	2022	2021
Operating Activities		
Net loss for the period	\$ (1,663,660)	\$ (965,488)
Items not affecting cash:		
Foreign exchange	2,067	-
Interest receivable	-	(7,903)
Share-based payments	1,031,101	253,820
Gain (loss) on fair value of investments	433,429	(125,104)
Realized gain on disposal of marketable securities	(152,161)	(160,825)
Changes in non-cash working capital items related to operations:		
Accounts receivable	(6,836)	-
Prepaid expenses	12,557	(333,670)
Note receivable	(126,389)	-
Proceeds on sale of marketable securities	227,887	420,899
Investments	(75,000)	(517,257)
Accounts payable and accrued liabilities	85,779	280,695
Cash used in operating activities	(231,226)	(1,154,833)
Financing Activity		
Shares issued for cash	-	1,184,718
Cash provided by financing activity	-	1,184,718
Change in cash and cash equivalents during the period	(231,226)	29,885
Cash and cash equivalents, beginning of period	933,614	1,092,156
Cash and cash equivalents, end of the period	\$ 702,388	\$ 1,122,041
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Cash and cash equivalents consist of:		
Cash	\$ 315,709	\$ 939,049
Funds in brokerage account	385,899	175,890
Funds held in a trust	780	7,102
Cash and cash equivalents	\$ 702,388	\$ 1,122,041

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Eat & Beyond Global Holdings Inc. formerly known as Eat Beyond Global Holdings Inc. (the “Company”) was incorporated on September 9, 2019 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) and changed its name from 1222554 B.C. Ltd. to Eat Beyond Global Holdings Inc. on September 17, 2019. The Company’s head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V7X 1M5. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

On November 16, 2020, the Company shares were approved for listing on the Canadian Securities Exchange and is classified as an investment issuer and commenced trading on November 17, 2020 under the trading symbol (“EATS”).

On March 29, 2022, the Company changed the name to ‘Eat & Beyond Global Holdings Inc.

The Company’s primarily focus is on investments in the plant-based protein and meat alternative food industry. The Company’s investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Company believes will enhance value for the shareholders of the Company in the long term.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2022, the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$6,397,812. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs through the issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

These condensed interim financial statements were reviewed and authorized for issue by the Board of Directors on May 30, 2022.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Basis of preparation (continued)

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets and liabilities.

Significant judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification of financial instruments.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant estimates and assumptions in applying the Company's condensed interim financial statements include:

- Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value and this value may not be indicative of recoverable value;
- Determination of investment entity - The preparation of the financial statements requires management to make significant judgments and assumptions in determining how the Company meets the definition of an investment entity as previously discussed in Note 1. Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVTPL in accordance with IFRS 9 rather than to consolidate them. An investment entity is an entity that meets all of the following criteria:

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)

Significant estimates and assumptions (continued)

- a) An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
 - The Company's main source of financing since inception had been via funds received from investors.
 - Through ownership of the Company's shares, these investors are provided with investment management services through their right to investment returns via the performance of the Company's investments.
- b) An entity that commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
 - The Company has communicated to investors via corporate documents that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.
 - Substantially all of the Company's investment portfolio has been carried at fair value since inception.

Based on the analysis above, management has concluded that the Company meets the definition of an investment entity as all of the criteria are met. This will be reassessed on a continuous basis, in case any of the criteria or characteristics change.

- Valuation of share-based payments – the Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative financial assets (e.g. investments in warrants). Option price models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
- Recoverability and measurement of deferred tax assets – In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Weight is attached to tax planning opportunities that are within the Company's control and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting year, the Company reassesses unrecognized income tax assets.; and

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

2. SUMMARY SIGNIFICANT ACCOUNTING (continued)**Accounting policies**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited restated financial statements as at December 31, 2021.

Accounting standards and interpretations issued but not yet adopted

Certain pronouncements issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2022 are either not applicable or are not expected to have a significant impact on the Company's financial statements. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

3. INVESTMENTS

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model, with the following assumptions: risk-free rate of 0.20% to 0.97%; volatility of between 100% to 140%, expected life of warrant 0.17 to 5 years and dividend yield of 0%. The carrying values are marked to market and the resulting gain or loss from marketable securities are recorded against earnings. A continuity of the Company's marketable securities is as follows:

	Note	Number of shares/Units Held	Investment Cost	Fair Value at March 31, 2022
		#	\$	\$
Public Companies				
The Very Good Food Company Inc.	(i)	25,000	6,250	16,000
Good Natured Products Inc.	(i)	-	-	-
Plantfuel Life Inc. (formerly Sire Biosciences Inc.)	(i)	55,555	50,000	37,778
Zoglo's Incredible Food Corp.	(i)	500,000	50,000	62,500
Nabati Foods Inc.	(i, ii)	748,003	261,801	142,120
1181718 BC Ltd. (aka Fresh Factory)	(i)	50,000	63,500	44,000
			431,551	302,398
Private Companies				
TurtleTree Labs Pte. Ltd.	(i)	21,923	200,205	736,612
Beyond Moo	(iii)	3,792,475	768,447	1,011,326
Above Food	(i)	25,000	50,000	50,000
Plant Power Restaurant Group LLC	(i, ii)	112,107	317,257	316,950
Daydream Drinks (11270702 Canada Inc.)	(i)	50,000	75,000	75,000
Circular Solutions Inc.	(i)	200,000	30,000	30,000
Eat Just Inc.	(i)	7,998	113,869	105,712
			1,554,778	2,325,600

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. INVESTMENTS (continued)

	Note	Number of shares/Units Held	Investment Cost	Fair Value at March 31, 2022
Investment in warrants		NA	-	20,911
Total			1,986,329	2,648,911

During the three months ended March 31, 2022 the Company sold all of its investments in Good Natured Products Inc. for total proceeds of \$227,887 and realized a gain of \$152,161.

	Note	Number of shares/Units Held	Investment Cost	Fair Value at December 31, 2021
		#	\$	\$
Public Companies				
The Very Good Food Company Inc.	(i)	25,000	6,250	23,250
Good Natured Products Inc.	(i)	5,186	726	3,786
Plantfuel Life Inc. (formerly Sire Biosciences Inc.)	(i)	55,555	50,000	66,111
Zoglo's Incredible Food Corp.	(i)	500,000	50,000	102,500
Nabati Foods Inc.	(i, ii)	748,003	261,801	336,601
1181718 BC Ltd. (aka Fresh Factory)	(i)	50,000	63,500	56,500
			432,277	588,748
Private Companies				
TurtleTree Labs Pte. Ltd.	(i)	21,923	200,205	736,613
Beyond Moo	(iii)	3,792,475	768,447	1,011,326
Above Food	(i)	25,000	50,000	50,000
Plant Power Restaurant Group LLC	(i, ii)	112,107	317,257	316,950
Daydream Drinks (11270702 Canada Inc.)	(i)	50,000	75,000	75,000
Circular Solutions Inc.	(i)	200,000	30,000	30,000
Eat Just Inc.	(i)	7,998	113,869	105,713
			1,554,778	2,325,602
Investment in warrants		NA	-	168,717
Total			1,987,055	3,083,067

Note

- (i) The Company owns less than 10% interest in the investee as at March 31, 2022 and December 31, 2021.
- (ii) A director and/or officer of the Company is a director and/or officer of the investee as at March 31, 2022 and December 31, 2021.
- (iii) The Company owns 32% of the outstanding common shares and the CEO is a director of the investee as at December 31, 2021. There are no contractual arrangements. Refer to Note 2 for details relating to the exemption to consolidating particular subsidiaries and the exemption from accounting for associates using the equity method for investment entities.

During the year ended December 31, 2021, the Company sold some of its investments in public companies for total proceeds of \$977,923 and realized a gain of \$626,849.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. INVESTMENTS (continued)

Convertible note receivables

On September 18, 2020, the Company loaned \$144,989 (US\$113,878) through a convertible note in SingCell TX Pte Ltd. (“SingCell”). The Note earns interest at 5% per annum with a maturity date of September 16, 2023. Interest is payable on the maturity date. The Note will automatically convert into fully paid senior shares at the conversion price based on certain events. As at December 31, 2021, the Company recorded an impairment of the convertible note receivable of \$152,998 as SingCell was unable to secure its license.

Note receivable

As at March 31, 2022, the Company loaned \$168,696 (US\$135,000) (December 31, 2021 – \$43,373 (US\$35,000)) through a promissory note to Mylk Brands Inc. (“Mylk”). No interest will accrue on the principal amount unless Mylk is in default under the terms of this Note. If Mylk is in default, then in addition to the other remedies available to Mylk, interest at the rate of 10% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this Note are brought into good standing. Mylk will not be required to make monthly payments and is due on demand.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	December 31, 2021
	\$	\$
Accounts payable	364,100	331,147
Accrued liabilities	116,588	58,243
Payroll tax liabilities	20,757	43,476
	518,645	432,866

5. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company entered into the following transactions with related parties during the period ended March 31, 2022.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

5. RELATED PARTY TRANSACTIONS (continued)

	For the three months ended March 31,	
	2022	2021
	\$	\$
Consulting fees paid to a company controlled by CEO	-	23,625
Consulting fees paid to a company controlled by CFO	12,600	12,600
Wages and benefits paid to the CEO	70,000	-
Share-based payments	713,150	-
	<u>795,750</u>	<u>36,225</u>

As at March 31, 2022, accounts payable and accrued liabilities include \$21,000 (December 31, 2021 - \$8,400) due to related parties for unpaid consulting fees.

6. SHARE CAPITAL*Authorized share capital*

Unlimited number of common shares without par value

Common shares

There were no shares issued during the three months ended March 31, 2022.

During the year ended December 31, 2021:

On April 9, 2021, the Company issued 541,270 units at a price of \$2.09 per unit for total proceeds of \$1,131,254. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at a price of \$2.50 per share expiring on April 9, 2023. The Company utilizes the residual value method and have allocated a residual value of \$211,095 to the warrants.

During the year ended December 31, 2021, 11,735,619 share purchase warrants were exercised for total proceeds of \$681,222. The Company transferred \$54,776 from reserves as 209,869 share purchase warrants were agent's warrants.

During the year ended December 31, 2021, 1,963,000 stock options were exercised for total proceeds of \$981,500. The Company transferred \$1,217,060 from reserves. Total weighted average of the stock options exercised was \$0.84 per share and the market value price was \$2.04.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)*Share Purchase Warrants*

The following is a summary of the Company's share purchase warrants for the three months ended March 31, 2022 and for the year ended December 31, 2021 are as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance, December 31, 2020	11,996,592	0.06
Exercised	(11,735,619)	0.06
Issued	541,270	2.50
Balance, December 31, 2021	802,243	1.71
Expired	(250,000)	0.05
Balance, March 31, 2022	552,243	2.46

As at March 31, 2022, the Company had the following share purchase warrants outstanding:

Date of expiry	Exercise price	Number of warrants	Weighted average life (years)
	\$		
August 12, 2022	0.50	10,973	0.37
April 9, 2023	2.50	541,270	1.02
		552,243	1.01

Stock Options

The Company has a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 15% of the issued and outstanding common shares of the Company. The options term and vesting conditions are determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On February 8, 2022, the Company granted 300,000 stock options to consultants of the Company that vested at 33.3% the date of grant and every six months thereafter with the last vesting on February 8, 2023. The stock option entitled the holder the right to purchase one common share at the exercisable price of \$0.56 per share expiring on February 8, 2025. The fair value of the stock of \$105,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.56; risk-free interest rate of 1.57%; Dividend yield of 0%; Expected life of 3 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended March 31, 2022, the Company recorded \$40,751 in share-based payments.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)*Stock Options (continued)*

On February 8, 2022, the Company granted 450,000 stock options to the CEO of the Company that vested at 33.3% the date of grant and every six months thereafter with the last vesting on February 8, 2023. The stock option entitled the holder the right to purchase one common share at the exercisable price of \$0.56 per share expiring on February 8, 2027. The fair value of the stock of \$189,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.56; risk-free interest rate of 1.79%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended March 31, 2022, the Company recorded \$73,350 in share-based payments.

On February 8, 2022, the Company granted 1,650,000 stock options to consultants and directors of the Company that vested at the date of grant. The stock option entitled the holder the right to purchase one common share at the exercisable price of \$0.56 per share expiring on February 8, 2027. The fair value of the stock of \$693,000 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.56; risk-free interest rate of 1.79%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the period ended March 31, 2022, the Company recorded \$693,000 in share-based payments.

On January 6, 2021, the Company granted 150,000 stock options to a consultant that vested at the date of grant. The stock option entitled the holders the option to purchase one common share at \$2.60 per share expiring on January 6, 2026. The fair value of the stock of \$288,264 was determined using the Black-Scholes option valuation model with the following assumptions – Share price on date of grant of \$2.60; risk-free interest rate of 0.41%; Dividend yield of 0%; Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies. During the year ended December 31, 2021, the Company recorded \$288,264 in share-based payments.

The changes in stock options were as follows:

	Number of Stock Options	Weighted average exercise price
		\$
Balance, December 31, 2020	2,810,000	0.51
Issued	150,000	2.60
Exercised	(1,963,000)	0.50
Balance, December 31, 2021	997,000	0.84
Granted	2,400,000	0.56
Balance, March 31, 2022	3,397,000	0.64

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)*Stock Options (continued)*

As at March 31, 2022, the Company had 3,397,000 stock options outstanding as follows:

Number of Stock Options	Exercisable	Exercise Price	Expiry Date
747,000	747,000	\$0.50	November 17, 2025
100,000	100,000	\$0.71	November 25, 2025
150,000	150,000	\$2.60	January 6, 2026
300,000	99,900	\$0.56	February 8, 2025
450,000	149,850	\$0.56	February 8, 2027
1,650,000	1,650,000	\$0.56	February 8, 2027
3,397,000	2,896,750		

Restricted Share Unit Plan

The Company adopted a Restricted Share Unit Plan (“RSU Plan”) whereby the maximum number of common shares reserved for issue under the RSU Plan shall not exceed 25% of the issued and outstanding common shares of the Company. In addition, the aggregate number of common shares issuable pursuant to the RSU Plan combined with all of the Company’s other security based compensation arrangements, including the Company’s Stock Option Plan, shall not exceed 25% of the Company’s outstanding common shares.

On February 8, 2022, the Company granted 400,000 RSU. The granted RSU vested at the date of grant. During the period ended March 31, 2022, the Company recognized \$224,000 as share-based payment, and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve.

On November 17, 2020, the Company granted 500,000 RSU. The granted RSU shall vest 1/2 six months from listing and 1/2 at twelve months from listing. During the year ended December 31, 2021, the Company recognized \$219,863 (December 31, 2020 - \$30,137) as share-based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve.

The changes in RSU were as follows:

	March 31, 2022	December 31, 2021
Balance, beginning of period	500,000	500,000
Granted	400,000	-
Balance, end of period	900,000	500,000

As at March 31, 2022, 900,000 RSU’s have vested but shares unissued.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk.

- a) Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
- b) Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, which is held with a high-credit financial institution. As such, the Company's credit exposure is minimal.
- c) Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.
- d) Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. The Company has minimal exposure to foreign currency transactions during the period ended March 31, 2022 and accordingly the risk is considered low.
- e) Price risk: Equity price risk is the risk of potential loss to the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at March 31, 2022, the Company's equity investments of \$2,648,911, are subject to fair value fluctuations. If the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period ended March 31, 2022 would have been approximately \$265,000 higher/lower.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. FINANCIAL INSTRUMENTS – (continued)

The fair value of the Company's investments are determined as follows:

Listed securities

The fair value of securities traded on active markets are based on quoted market prices at the close of trading on the reporting date. The Company uses the last traded market price where the last trade price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of securities that are subject to trading restrictions are recorded at a value that takes into account the length and nature of the restrictions.

Unlisted securities

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

For unlisted equity instruments:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.
- Investments in which there has been recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate, if an external investor is motivated by strategic considerations.
- Investments in which there has been a recent financing round involving only existing investor participating proportionally to their existing investment are examined as to whether specific conditions exist that could reduce the reliability of this financing round as an indication of real value. An internal financing with investors at a lower price than the valuation at the previous reporting date may indicated a decrease in value and is taken into consideration.
- Investments that have achieved an exit after the valuation date but before finalization of the financial statements are valued based on the exit valuation, if the exit valuation was reasonably evident at the measurement date.
- Investment in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by sophisticated, arm's length investor are valued at the price of the recent trade and are adjusted, as appropriated, if the purchaser is motivated by strategic considerations.
- Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. FINANCIAL INSTRUMENTS – (continued)

For public company warrants (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as the Black-Scholes model are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security. To the extent that the market inputs are insufficient or unreliable, the warrants are valued at their intrinsic value, which is equal to the higher of the closing price of the underlying security less the exercise price of the warrant, or nil. For private company warrants, the underlying security is not traded on a recognized stock exchange, therefore fair value is determined consistent with other investments that do not have an active market, as described above.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investments in public companies are classified as fair value through profit or loss and measured at fair value using level 1 and investments in private companies are measured at fair value using level 3 inputs. Convertible loan receivables are measured at fair value using level 2 inputs. The Company's investment in warrants are measured at fair value using Level 2 inputs. The fair values of other financial instruments, which include cash, note receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments.

The Company's financial assets measured at fair values through profit or loss are as follows:

March 31, 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments				
Public investments	302,398	6,801	-	309,199
Private investments		1,762,049	577,663	2,339,712
	302,398	1,768,850	577,663	2,648,911
Note receivable	-	168,696	-	168,696
	302,398	1,937,546	577,663	2,817,607
December 31, 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments	-			
Public investments	588,748	154,104		742,852
Private investments	-	1,762,552	577,663	2,340,215
	588,748	1,916,656	577,663	3,083,067
Note receivable	-	44,373	-	44,373
	588,748	1,961,029	577,663	3,127,440

EAT & BEYOND GLOBAL HOLDINGS INC.

Notes to the condensed interim financial statements

March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. FINANCIAL INSTRUMENTS – (continued)Level 2 Hierarchy

	March 31, 2022	December 31, 2021
	\$	\$
Balance, beginning of period	2,114,037	251,615
Transferred to level 2	-	968,652
Unrealized and realized gain (loss)	(147,806)	696,399
Convertible loan	-	152,998
Impairment of convertible loan	-	(152,998)
Note Receivable	124,323	44,373
Balance, end of period	1,937,546	1,961,039

During the year ended December 31, 2021, \$250,000 of the convertible note plus interest of \$11,801 were converted into common shares of a public entity.

Level 3 Hierarchy

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, and trends in general market conditions.

	March 31, 2022	December 31, 2021
	\$	\$
Balance, beginning of period	577,663	314,075
Purchase at cost	-	1,404,204
Transferred to level 1	-	(163,500)
Transferred to level 2	-	(968,652)
Adjustment for foreign exchange	-	(8,464)
Balance, end of period	577,663	577,663

9. SUBSEQUENT EVENTS

Subsequent to March 31, 2022:

On April 1, 2022, the Company acquire all of the outstanding share capital of Mylk Brands Inc., a British Columbia corporation, (“Mylk”) and indirectly acquire Mylk's wholly-owned subsidiary Fresh Start Beverage Company d/b/a Banana Wave, a Florida corporation. Pursuant to the terms of the arrangement, the Company issued 22,115,310 common shares to the former Mylk shareholders.

On May 6, 2022, the Company advanced another US\$100,000 to Mylk pursuant to the terms of the promissory note.

On May 27, 2022, the Company entered into debt settlement agreement to issue 500,000 common shares to settle outstanding debt of \$185,000. As at May 30, 2022, these shares have not been issued.